

AGENCIES OF THE SECRETARY OF FINANCE

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2009**



AUDIT SUMMARY

This report summarizes our fiscal year 2009 audit results for the five agencies under the Secretary of Finance and arises from our work on the Comprehensive Annual Financial Report.

We have included three risk alerts, which are beyond the corrective action of management and require the action of either another agency, outside party, or a change in the method by which the Commonwealth conducts its operations to improve efficiency, reduce risk and enhance its operations.

- ***Modernize Financial Systems and Processes (Status of Prior Year Risk Alert)***

In April 2008, Transportation obtained approval from the Information Technology Investment Board to begin a project (the Cardinal Project) to develop a new financial management system while also providing a base enterprise application for the Commonwealth, which will eventually replace the Commonwealth Accounting and Reporting System. In August 2009, Transportation awarded Accenture a multi-year contract which includes the purchase of software licenses, as well as, implementation services to configure the software properly and provide project management support. The first implementation phase in July 2011 will provide Transportation's financial system. Phase two of the implementation will provide the Commonwealth's base financial system for Accounts by July 2012.

- ***Security Risks Associated with Information Technology Infrastructure***

The Commonwealth has moved the information technology infrastructure supporting Accounts' databases to the Virginia Information Technologies Agency, who has an Information Technology Infrastructure Partnership with Northrop Grumman. Although Accounts is not responsible for correcting security vulnerabilities we found during our review, it should document and implement compensating controls for instances where the Partnership is unable to address issues in a timely manner. Accounts also needs to obtain a responsibility matrix that identifies the duties of each entity so that it can properly manage its risk and monitor corrective action.

- ***Improve Service Agency Arrangements***

Many Commonwealth agencies with limited resources use the fiscal and administrative support functions of larger agencies to supplement their operations. Accounts' Payroll Service Bureau is an example of a service arrangement the Commonwealth is currently using to process payroll transactions for agencies with limited resources. We believe the Bureau could improve the service they provide to agencies by entering into a memorandum of understanding with all participating agencies and directing the flow of information between the participating agency and the Bureau and any other service providers the agency uses.

The report also includes other internal control and compliance findings and recommendations.

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COMMENTS TO MANAGEMENT

Audit Risk Alerts:

During the course of our audits, we encounter issues that are beyond the corrective action of management and require the action of either another agency, outside party, or a change in the method by which the Commonwealth conducts its operations to improve efficiency, reduce risk, and enhance its operations. The issues in this report arise from our work on the Comprehensive Annual Financial Report and the agencies within the Secretary of Finance.

The audit risk alert Modernize Financial Systems and Processes affects the Commonwealth of Virginia as a whole, and requires the attention of the Governor, multiple agencies, and secretariats as we indicate below. The audit risk alerts Security Risks Associated with Information Technology Infrastructure and Improve Service Agency Arrangements are applicable to the Department of Accounts (Accounts) and requires the attention of multiple agencies and secretariats.

Modernize Financial Systems and Processes (Status of Prior Year Risk Alert)

Financial Systems

As indicated in previous reports, the Commonwealth's current accounting systems have not had substantial upgrades since the mid-1980's. The Commonwealth's current accounting systems have long passed their normal life cycle and are fundamentally at risk of a failure where either the vendor or expertise of keeping the system operating could become unsustainable. Further, the Commonwealth's current systems either do not contain the information or cannot easily exchange information, due to their age and lack of integration, to support current state and federal initiatives related to government transparency and timelier financial reporting.

In the prior year, we recommended the Secretary of Finance and State Comptroller continue to work with the Virginia Department of Transportation (Transportation) and Virginia Information Technologies Agency's Enterprise Application Program Office to ensure the Commonwealth continues to move forward with the modernization of its financial systems.

In April 2008, Transportation obtained approval from the Information Technology Investment Board to begin a project (the Cardinal Project) to develop a new financial management system while also providing a base enterprise application for the Commonwealth, which will eventually replace the Commonwealth Accounting and Reporting System (CARS). The Cardinal Project remains a joint effort as Transportation is working closely with Accounts, the Virginia Enterprise Application Program Office, and other agencies in developing the system.

In August 2009, following a competitive procurement process, Transportation awarded Accenture a multi-year contract valued at \$38.5 million. The contract includes the purchase of software licenses, as well as, implementation services to configure the software properly and provide project management support through phase two. The project's total estimated budget is \$58.3 million and includes all software, hardware, consulting services, and internal staff resources. As of

November 30, 2009, Transportation has spent approximately \$9.5 million including \$4.6 million to purchase software licenses.

The first implementation phase in July 2011 will provide Transportation's financial system. Phase two of the implementation will provide the Commonwealth's base financial system for Accounts by July 2012 and will consist of general ledger and accounts payable modules. All other executive branch agencies will convert to the new system in future phases, for which the Commonwealth has not yet developed a funding strategy. These modules will provide the foundation for a modern financial system for the Commonwealth with the ability to add other modules and expand functionality in future phases.

We also recommended in our prior year report that the Secretaries of Finance, Technology, Transportation, and Public Safety, and the Courts system work with the Department of Motor Vehicles to ensure the adoption of data standards for the use of all of these agencies. In our October 2009 report entitled, "Enterprise Data Standards Progress Report", we reported that while the Commonwealth has made some progress toward developing data standards, there are no adopted new data standards for any business area. This report is available on the Auditor of Public Account website at www.apa.virginia.gov/reports/DataStandardsSR09.pdf.

Financial Processes

In our March 2005 report entitled "Review of Statewide Reporting Process", we recommended Accounts improve the process to prepare the Commonwealth's Comprehensive Annual Financial Report. In subsequent reports, we expanded this recommendation to include all financial processes including agency review and assistance; statewide controls and monitoring; and financial reporting. We recognize that the changes necessary to evaluate and implement our recommendations cannot occur in a short period of time and therefore we have continued to monitor and report on Accounts' efforts.

Accounts has continued to perform quality assurance reviews and incorporate recommendations for improving internal controls and processes into its reports. During fiscal year 2009, as a result of the American Recovery and Reinvestment Act of 2009, Accounts shifted its focus to performing readiness assessments to ensure agencies had sufficient processes in place to comply with the Act. Accounts' General Accounting Division has continued incorporating reasonableness reviews of activity in CARS into their operations and during the year modified access options for CARS to improve internal controls. Further, Accounts has developed several web based training programs for agencies to improve communication channels with agencies.

As many agencies have eliminated or combined administrative positions through continued budget reductions, it is imperative that Accounts continue to identify and address potential issues in the Commonwealth's financial processes. Implementation of a new accounting system will not solve all of the inefficiencies in the current financial processes.

Therefore, we recommend that Accounts continue to work with agencies and make recommendations for improving their internal controls and process efficiency to ensure accurate and timelier financial information. We also recommend that Accounts continue to analyze the current

methods for communicating information to agencies and accumulating data for financial reporting purposes. In addition, Accounts should work jointly with Transportation to develop new policies and procedures prior to implementation of the new system. Finally, Accounts should continue to develop data analysis tools and processes such as trigger reports to identify and follow up on suspicious activity.

Security Risks Associated with Information Technology Infrastructure

Commonwealth security standards require Accounts to provide for the security and safeguarding of all of its information technology systems and sensitive information. The Commonwealth has moved the information technology infrastructure supporting Accounts' databases to the Virginia Information Technologies Agency (VITA), who has an Information Technology Infrastructure Partnership (Partnership) with Northrop Grumman. In this environment, the Partnership and Accounts clearly share responsibility for the security of Accounts' information technology assets, systems, and information; and must provide mutual assurance of this safeguarding.

During our review, we found certain vulnerabilities that we communicated to Accounts in a separate document to management marked Freedom of Information exempt under Section 2.2-3705.2 of the Code of Virginia.

Although Accounts is not responsible for correcting these issues, it should document and implement compensating controls in those areas where the Partnership is unable to address the issue in a timely manner. Accounts also needs to obtain a responsibility matrix that identifies the duties of each entity. We bring this matter to the attention of Accounts, so that it can properly manage its risk and monitor corrective action.

Improve Service Agency Arrangements

As we recommended in our October 2009, "Review of Service Agency Arrangements" report, the Auditor of Public Accounts has consistently recommended that agencies with limited resources use the fiscal and administrative support functions of larger agencies to supplement their operations. This type of arrangement can allow such agencies to concentrate on providing core mission services and effectively minimize resources dedicated to administrative functions, while enhancing their internal control over these functions. However, in creating these service agency arrangements, the Commonwealth needs to adequately structure and administer the arrangements to ensure the arrangement truly enhances internal controls.

Accounts' Payroll Service Bureau is an example of a service arrangement the Commonwealth is currently using to process payroll transactions for agencies with limited resources. We believe the Bureau could improve the service they provide to agencies by entering into a memorandum of understanding with all participating agencies and directing the flow of information between the participating agency and the Bureau and any other service providers the agency uses.

We recommend the Bureau work with each participating agency to develop a comprehensive memorandum of agreement to ensure sufficient internal controls exist. The key to a comprehensive memorandum is expanding the substance of the relationship between the service provider and the

agency to transfer more responsibility for internal controls to the service provider. Therefore, the Bureau should ensure the memorandum clearly defines their role as well as the participating agencies role in the arrangement.

In addition, we recommend the Bureau establish in the comprehensive memorandum of understanding the appropriate communication channels for the flow of information to strengthen internal controls within the service arrangement. Finally, we recommend the Bureau along with the Secretary of Finance work with the applicable secretaries of the participating agencies to ensure compliance with the memorandum of understanding.

Internal Control and Compliance Findings and Recommendations

Secretary of Finance

Improve Financial Reporting Processes

In 2005, Taxation replaced its legacy revenue accounting system, State Tax Accounting and Reporting System (STARS) with the Integrated Revenue Management System (IRMS). While Taxation has implemented a modern revenue processing system, the financial reporting requirements outlined by Accounts have remained consistent. In providing financial reporting information to Accounts, there are instances where Taxation has forced their modern revenue system to function like the Commonwealth Accounting and Reporting System (CARS), an antiquated batch processing financial system. This results in Taxation having to post multiple manual entries to both CARS and IRMS each year. Furthermore, forcing IRMS to function like CARS has resulted in mistakes in the financial information it reports to Accounts.

To prevent these mistakes, Taxation would need to reprogram its system in order for IRMS to take into account both the automated processes and manual adjustments in its financial reports. Not considering all transactions caused Taxation to overstate receivables balances by \$70 million at fiscal year-end, which resulted in mistakes to the receivables reported for inclusion in the Comprehensive Annual Financial Report.

Taxation and Accounts should continue to work together to better understand the financial reporting process necessary for reporting Taxation's financial activity to Accounts. In doing so, the agencies should consider the revenue processing within the IRMS system to find more efficient and accurate ways of reporting financial data to Accounts, which should not require extensive reprogramming of IRMS.

Department of Accounts

Improve Information Systems Security Program

Accounts has not made all of the improvements to its information systems security program we recommended in the prior year audit, which limits Accounts ability to protect critical systems from internal and external threats. While Accounts is currently developing risk assessments for its sensitive systems and has devised a way to securely provide system passwords, Accounts needs to

complete the following issues to strengthen its security posture and to comply with the Commonwealth's information security standard.

- Include security requirements in its data sharing agreements with other organizations.
- Develop an Incident Response plan.
- Document the baseline system configuration requirements in its security program, so that Accounts can consistently apply minimum security safeguards.

Accounts' Information Security Officer (ISO) is responsible for the development and management of the overall information security program. It is also the ISO's duty to make certain that Accounts' security plan always meets current Commonwealth information technology standards. The ISO can accomplish this by performing internal reviews to evaluate the performance of Accounts' information security program and making the necessary adjustments and providing training as the information technology environment changes.

We recommend Accounts address the issues identified above in its continuing effort to develop an information security program that complies with Commonwealth information technology standards.

Improve Web Application Management and Security

Accounts has not determined, in consultation with the VITA-Northrop Grumman Information Technology Partnership, responsibilities for managing the systems associated with its web applications. As a result, Accounts does not adequately manage or secure its web applications that process and store sensitive information. Properly managed web applications lessen the risk that someone will compromise or inappropriately access confidential data.

Accounts also needs to provide secure coding training to its programmers and perform periodic vulnerability testing to identify and correct any vulnerability. We communicated the specific technical details of this recommendation in a separate document to management marked Freedom of Information exempt under Section 2.2-3705.2 of the Code of Virginia.

We recommend that Accounts first consult with the VITA-Northrop Grumman Information Technology Partnership to determine who has responsibility for managing the systems associated with its web applications. For those responsibilities identified as belonging to Accounts, it should develop and document processes to ensure that application security meets industry best practices and Commonwealth Information Technology standards. Accounts should then provide the necessary resources for training and testing to properly protect its confidential information.

Department of Taxation

Improve Database Administrator Access Oversight

The Department of Taxation (Taxation) does not provide adequate oversight for its database administration user accounts to address the risk of unauthorized disclosure of taxpayer information. Database administrator accounts have the highest level of privileges in a database. Without adequate

oversight over high-privileged administration accounts, Taxation cannot determine accountability for the adding, deleting, or changing of data in the systems that Taxation has classified as containing confidential or mission critical data.

We have communicated the details of this issue separately from this report because they contain the descriptions of a security system. Such information is exempt from public disclosure by the Freedom of Information Act. This recommendation is precautionary and our work did not include a review to determine if the lack of oversight resulted in a compromise of confidential taxpayer data.

We recommend that Taxation improve database administrator user account oversight. Improving oversight for these accounts will allow Taxation to reduce the risk of unauthorized access and improve accountability.

Improve Efficiency of Access Management and Change Management Procedures

During our review of Taxation's access management and change management procedures, we found processes that resulted in inefficient access management, inappropriate user privileges, and ineffective change management procedures. The access management procedure for employee user accounts requires supervisors to complete request forms that are cumbersome and difficult to complete.

As a consequence, some access request forms were incomplete, resulting in Taxation granting inappropriate access to its employees. We found that employees had unnecessary access that did not relate to their job duties and terminated employees' user accounts remained on the system beyond Taxation's removal time. Incomplete system access request forms may result in employees receiving unnecessary access to sensitive and high-risk applications.

Finally, Taxation's change management approval procedures are ineffective. We found seven out of ten non-emergency change requests without proper approval, and five out of ten emergency change requests without proper approval. Without properly approving change requests, Taxation risks implementing unwarranted changes that can negatively impact the agency's operations.

We recommend that Taxation evaluate its access management and change management procedures to determine if it can develop more efficient and effective processes that address the concerns mentioned above and are less susceptible for procedural errors.

Improve Information Security Officer's Authority and Independence

The Commissioner needs to empower the ISO by ensuring the ISO has the authority and independence within the organization to effect change. The ISO has the responsibility for developing, maintaining, and enforcing Taxation's information security program. As such, the ISO should have the proper authority to allow him to develop, implement, and enforce security policies and procedures.

While the ISO may not have a direct reporting relationship to the Commissioner, the Commissioner should ensure the ISO's appropriate placement within the organization to ensure independence. Industry best practices recommend that the ISO report to someone in senior management outside of the Information Technology department. This will prevent competing information technology projects from taking priority over the maintenance and implementation of Taxation's security program.

We recommend that the Commissioner grant the ISO the appropriate authority and independence in the organization to develop and implement the information security program policies and procedures. If possible, the ISO should report to someone that can provide the appropriate supervisory support outside of the Information Technology department.

Improve Process for Application Updates

Taxation has no formal process for reviewing vendor-supplied software updates regularly. In addition, Taxation has not adequately documented the review, evaluation, implementation, or justification for not implementing these updates.

While Taxation has provided verbal assurance over the business decisions made regarding software updates, management could not provide formal documentation of the assessment and decision process. Without updated application software, Taxation risks leaving systems vulnerable to outages, unauthorized access, and data compromise, among others. Without documented justification for decisions made not to apply updates, the knowledge of these decisions could be lost and patches or upgrades erroneously applied causing risks similar to those mentioned.

Through a formal, well-documented process, Taxation should continue to regularly monitor software update releases and evaluate the necessity of implementing those updates. Taxation should also document justification, risk assessments, and risk mitigation strategies for security updates that Taxation chooses not to implement.

Improve Data Sharing Security Requirements

Taxation needs to improve its data sharing agreements with third parties to effectively communicate security expectations. Without adequate policies and procedures that define the required security controls over data transmitted or stored by non-Commonwealth entities, Taxation is unable to ensure consistent application of security over sensitive data once in the possession of third parties. In addition, communicating Taxation's information security expectations to third parties is critical to ensure the third party understands their responsibility for the confidentiality of taxpayer data.

As a precautionary measure, we recommend that Taxation improve security controls for sensitive data shared with external entities. Written agreements with those entities should comply with the Commonwealth Information Security Standard and include Taxation's expectation of the third party for security over the data.

FINANCE SECRETARIAL OVERVIEW

The Secretary of Finance assists the Governor in the management and direction of the finance agencies and performs program coordination, policy planning, and budget formulation activities. The Departments of Accounts, Planning and Budget, Taxation, and the Treasury and the Treasury Board report to the Secretary of Finance and primarily serve other agencies within the Commonwealth in a central support capacity. These agencies perform critical functions in the Commonwealth's statewide financial management system, working closely together in the budgeting, management, and reporting of the Commonwealth's financial resources. Additionally, the agencies provide administrative services to other agencies throughout the Commonwealth. An overview of these activities and the interaction of the agencies within the Finance Secretariat in performing these activities are included below.

Planning, Budgeting, and Evaluation Services

Planning and Budget aids in the development and administration of the state budget, ensuring that agencies conduct their activities within fund limitations provided in the Appropriation Act and in accordance with gubernatorial and legislative intent. Planning and Budget relies on information from all agencies and universities in developing revenue estimates and expense budgets. The Web-based Budget Entry and Report System (Web BEARS) allows state agencies to submit their budget requests to Planning and Budget over the Internet. Accounts provides Planning and Budget with information regarding unspent balances and carry forward amounts. Taxation develops the General Fund revenue forecast due to the fact that the largest source of revenue for the Commonwealth is individual and fiduciary income taxes and state sales and use taxes. Taxation also develops the revenue forecasts for certain non-general fund revenues, which are primarily transportation related.

Once the General Assembly and the Governor have approved the budget, Planning and Budget provides an electronic copy to Accounts to upload into the Commonwealth Accounting and Reporting System (CARS). CARS contains automated edit controls to ensure agencies do not exceed the spending authority established in the budget.

Throughout the year, along with the Governor, Planning and Budget has certain statutory authority to increase, decrease or transfer funds and personnel positions within constraints set forth in the Act. To facilitate this, Planning and Budget maintains the Form 27 Automated Transaction System (FATS), which is the mechanism for executing administrative adjustments to the approved budget. Both agency and Planning and Budget staff have access to FATS to initiate and process these adjustments. Jointly, Planning and Budget and Accounts ensure that CARS properly reflects these adjustments.

During fiscal year 2009, the administrative adjustments processed by Planning and Budget resulted in a \$5.2 billion increase to the Commonwealth's operating budget and a \$6.7 billion increase to the capital budget. These increases were primarily federal stimulus funding appropriations, re-appropriations of prior year's balances, and increases for items not estimated in the original budget. We provide more detail on the adjustments in the "Review of Budget and Appropriation Processing and Control System" report referred to in the Individual Agencies section below.

Revenue Administration Services

Taxation administers and enforces the tax laws of the Commonwealth. Due to its tax return processing duties, Taxation is the single largest collector of Commonwealth revenue, which it primarily deposits to the General Fund. During fiscal year 2009, Taxation collected \$17.3 billion in revenue, depositing \$15.5 billion into the General Fund. In addition, both Taxation and Accounts collect money owed to the Commonwealth through a debt set-off program that they jointly administer in accordance with the Code of Virginia's Debt Collection Act.

Treasury processes agency disbursements from revenue the Commonwealth collects. Treasury is responsible for the printing and distribution process of all checks and distributes electronic payments for individual agencies. Monthly, the Commonwealth's two disbursement banks are responsible for full reconciliation of check disbursement activity. Treasury's fully automated system "Recon Plus" interfaces with other bank systems and allows Treasury to reconcile accounts within 45 days of month end.

Additionally, under the Unclaimed Property Act, Treasury serves as custodian of certain personal properties (both intangible and tangible personal and real property) until the Commonwealth can locate the owner. Treasury identifies abandoned personal property through annual reporting requirements and the performance of audits and compliance reviews, administers the fund under the Commonwealth's control, and uses its best efforts to return the property to its owner.

Investment, Trust and Insurance Services

Treasury, under the direction of the State Treasurer, invests the Commonwealth's funds and provides trust and insurance services. Treasury manages and invests the Commonwealth's funds throughout the year trying to achieve the highest level of returns based on the operational needs of the Commonwealth. The largest portfolio Treasury manages is the General Account of the Commonwealth, a pool of investments representing assets of the Commonwealth's General Fund and higher education (operating), highway maintenance, and transportation trust funds. The General Account has two pools: the primary liquidity pool and the total return pool. Treasury internally manages the primary liquidity pool, which provides the major source of liquidity for the disbursement requirements and operational needs of the Commonwealth. The externally managed total return pool seeks to generate higher total returns over time, as compared to the liquidity pool. Treasury's target allocation for the overall general account asset mix is 75 percent for the primary liquidity pool and 25 percent for the total return pool.

Treasury also manages the Local Government Investment Pool (LGIP), a short-term investment pool offered to counties, towns, cities, state agencies, departments, and authorities of the Commonwealth of Virginia. It is an open-ended money market type fund that offers public funds investors daily liquidity, diversification, and professional management. Standard and Poors Corporation has assigned the pool its highest rating of "AAA." Further, Treasury manages the Commonwealth's statewide banking network and monitors its own and other agencies' specialized banking services.

Through providing staff services to the Treasury Board, Treasury is also responsible for the issuance and management of debt of the Commonwealth and several of its boards and authorities. Treasury monitors outstanding Commonwealth debt issued by certain boards and authorities for financial reporting and analysis purposes and provides staff support to the Virginia Public School Authority, the Virginia College Building Authority, the Virginia Public Building Authority, the Debt Capacity Advisory Committee, and the Treasury Board. As a result of their efforts, Virginia is one of only seven states with an “AAA” bond rating for general obligation debt from three rating services: Moody’s Investors Service, Standard and Poors Corporation, and Fitch Ratings, Inc.

Finally, Treasury administers insurance programs on behalf of the Commonwealth that cover state government, other public entities, and certain individuals serving in the public interest. Administered insurance programs are either self-insured or commercially insured. Treasury bills state agencies, the Compensation Board, and local governments for insurance premiums to cover current and future costs. Types of insurance include liability and property insurance and fidelity bonds.

Bond and Loan Retirement and Redemption

The Code of Virginia sets forth the appointments to the Treasury Board, which includes the State Treasurer, the State Comptroller, the State Tax Commissioner, and four members appointed by the Governor. Treasury provides support services to the Treasury Board in fulfilling its responsibilities, which include the following.

- Exercise general supervision over the investment of state funds
- Administer the Virginia Security for Public Deposits Act
- Control and manage sinking and other funds that the Commonwealth holds as fiduciary
- Contract with an outside manager for the administration of the State Non-Arbitrage Program
- Provide advice and supervision in the financing of state buildings
- Approve the terms and structure of proposed state educational institution bond issues and other financing arrangements
- Approve the terms and structure of proposed bond issues secured by state appropriations
- Administer the regional jail financing reimbursement program
- Issue all general obligation debt of the Commonwealth
- Manage its bond issues in compliance with federal taxation and arbitrage laws

The Treasury Board also makes payments to the Virginia College Building Authority and the Virginia Public Building Authority for lease payments and/or bond principal and interest on the Authorities’ appropriation-supported debt. The Board also pays debt service on Article X, Section 9(b) general obligation bonds and processes debt service payments to trustees and/or paying agents on behalf of the Commonwealth Transportation Board bonds to trustees and agents for the bondholders.

Financial Systems Development and Management

Accounts operates and maintains the Commonwealth's centralized automated accounting, payroll, and fixed asset systems. CARS is a cash-basis accounting system that records all of the Commonwealth's cash receipts and disbursement transactions and provides a means to enforce state appropriation law for all state agencies through automatic edits and manual reviews. The Commonwealth Integrated Payroll/Personnel System (CIPPS) is the Commonwealth's central payroll and leave system. Agencies and institutions use CIPPS to process employee salaries and wages, tax computations, payroll deductions, and leave transactions. The Fixed Asset Accounting and Control System (FAACS) and Lease Accounting System (LAS) record the Commonwealth's capital and controllable assets and leases.

Accounting Services

To facilitate the operation of CARS, CIPPS, FAACS, and LAS, Accounts has developed policies and procedures for entering transactions in the systems and offers periodic training courses to other agencies. In addition, Accounts grants access to the systems, monitors activity in the systems, provides assistance to agencies on financial reporting issues, performs reconciliations, and resolves errors as necessary.

Accounts processes certain transactions in CARS including reoccurring or correcting journal entries, transfers as required by the Appropriation Act, and the quarterly calculation and allocation among the various funds of interest earned by Treasury on the Commonwealth's cash and investments. Accounts is responsible for all aspects of the payroll process including payroll production, payroll and benefits accounting, and compliance with state and federal tax regulations.

Accounts calculates and distributes certain revenues collected by Taxation to local governments as required by the Code of Virginia. The Appropriation Act budgets and Accounts records these transfer payments under a separate agency number. Accounts distributed the following amount of revenue during fiscal year 2009:

Sales and use tax for education	\$ 990,417,670
Personal Property Tax Relief Act	950,000,000
Recordation taxes	20,182,349
Rolling stock taxes	6,151,201
Public facilities rebate tax	1,386,553
Other	<u>234,651</u>
Total	<u>\$1,968,372,424</u>

Source: Commonwealth Accounting and Reporting System

Accounts also made recordation tax transfers to the Department of Transportation for the Northern Virginia Transportation District Fund and the Transportation Improvement Set-Aside Fund in the amounts of \$17,716,950 and \$1,096,539, respectively.

Another accounting services item Accounts completes is the preparation of several key reports used to monitor the Commonwealth's activity throughout the year and report year-end results. The other agencies within the Finance Secretariat contribute to this process due to the significance of their roles in budgeting and financial management activities of the Commonwealth.

During the year, the Commonwealth monitors its General Fund revenue collections using the Monthly Revenue Report, which the Secretary of Finance issues. Accounts accumulates the financial information for this report from CARS and various agencies. Taxation provides Accounts with the General Fund revenue forecast for the report and provides detailed information on certain actual revenue collections. Treasury provides Accounts with information on the Commonwealth's investing activity.

At year-end, Accounts prepares two reports: The General Fund Preliminary Report and the Comprehensive Annual Financial Report (CAFR). Accounts prepares the General Fund Preliminary Report using CARS financial activity and information provided by Planning and Budget for the classification of remaining General Fund balances. Accounts prepares the CAFR using financial activity recorded in CARS as well as information submitted by agencies. Additionally, due to the significance of the activity controlled by Taxation and Treasury, these agencies must work closely with Accounts in providing the information necessary to prepare the CAFR. To ensure accuracy of the data in the General Fund Preliminary Report and CAFR, the Financial Reporting division of Accounts performs periodic quality assurance reviews of agency submitted information.

Other reports prepared throughout the year include the Popular Annual Financial Report, the federal and full-costing Statewide Indirect Cost Allocation Plan and the Statewide Schedule of Expenditures of Federal Awards.

Service Center Administration

The Payroll Service Bureau division of Accounts processes agency level payroll, leave accounting, and certain benefits data entry functions for selected agencies.

INDIVIDUAL AGENCIES FINANCIAL INFORMATION

The following provides an analysis of budget and actual expenses of each of the finance secretariat agencies. General Funds are the primary resource for funding the Secretary of Finance agencies' operations and account for approximately 84 percent of the overall operating expenses. During fiscal year 2009, the actual expenses of each of the finance secretariat agencies was less than the final budgeted expenses primarily as a result of the agencies' efforts to reduce administrative expenses in anticipation of further budget cuts.

The individual audits of these agencies primarily support the audit of the Commonwealth's CAFR for the fiscal year ended June 30, 2009. Listed below are the other audit reports that we issued throughout the year for these agencies, where applicable. For further details regarding the agencies' operations, please access their websites at the addresses listed under the agency name.

Secretary of Finance
www.finance.virginia.gov

Analysis of Budgeted and Actual Expenses by Program and Funding Source

The following schedule provides information on the Secretary's operating budget and expenses for fiscal year 2009 at the program level.

<u>Program:</u>	<u>Program Expenses</u>			<u>Funding Source</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>	<u>General Fund</u>
Economic development services (534)	\$ -	\$15,302,229	\$15,053,171	\$15,053,171
Administrative and support services (799)	<u>657,466</u>	<u>587,536</u>	<u>569,165</u>	<u>569,165</u>
Total uses	<u>\$657,466</u>	<u>\$15,889,765</u>	<u>\$15,622,336</u>	<u>\$15,622,336</u>

Source: Commonwealth Accounting and Reporting System

The Secretary's budget increased during the year due to funding approved by the General Assembly for the implementation and response to recommendations of the 2005 Base Realignment and Closure Commission (BRAC).

Separate Report

We performed an audit of the financial activity of the Secretary of Finance for the year ended June 30, 2009, and reported our audit results in a separate audit report entitled "The Governor's Cabinet Secretaries" issued in September 2009.

Department of Accounts
www.doa.virginia.gov

Analysis of Budgeted and Actual Expenses by Program and Funding Source

The following schedule provides information on Accounts' operating budget and expenses for fiscal year 2009 at the program level.

<u>Program:</u>	<u>Program Expenses</u>			<u>Funding Sources</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Financial systems development and management (724)	\$ 3,658,571	\$ 3,648,849	\$ 3,282,296	\$ 3,282,296	\$ -
Accounting services (737)	6,676,357	7,629,918	6,903,576	5,530,008	1,373,568
Administrative and support services (799)	1,325,086	2,247,571	1,896,409	1,896,409	-
Service center administration (826)	<u>609,824</u>	<u>603,232</u>	<u>412,708</u>	<u>412,708</u>	<u>-</u>
Total uses	<u>\$12,269,838</u>	<u>\$14,129,570</u>	<u>\$12,494,989</u>	<u>\$11,121,421</u>	<u>\$1,373,568</u>

Source: Commonwealth Accounting and Reporting System

During the fiscal year, Accounts' original budget increased by approximately \$2 million. Approximately \$624,000 of the increase is attributable to the implementation of VITA decentralization rates. Approximately \$202,000 of the increase is attributable to payments to the federal government for internal service fund over-recoveries. In addition, approximately \$624,000 was for payments to the federal government for settlement of fiscal year 2008 audit claims related to Small Purchase Charge Card rebates. The Appropriation Act contains the authority for Accounts to make these payments, but does not include a budget amount since the payments can vary significantly from year to year.

Department of Planning and Budget
www.dpb.virginia.gov

Analysis of Budgeted and Actual Expenses by Program and Funding Source

The following schedule provides information on Planning and Budget's operating budget and expenses for fiscal year 2009 at the program level.

<u>Program:</u>	<u>Program Expenses</u>			<u>Funding Source</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>	<u>General Fund</u>
Planning, budgeting and evaluation services (715)	<u>\$8,580,623</u>	<u>\$8,007,350</u>	<u>\$6,820,737</u>	<u>\$6,820,737</u>

Source: Commonwealth Accounting and Reporting System

The budget decreased during the year, with the most significant reductions relating to reduced funding for school efficiency reviews and savings captured from turnover and vacancy savings.

Separate Report

We performed a review of the budget and appropriation processing control system administered by Planning and Budget for the fiscal year ended June 30, 2009, primarily in support of the audit of the Commonwealth's CAFR for the fiscal year ended June 30, 2009. We issued a separate report on the results of this review, entitled "Review of Budget and Appropriation Processing Control System", in December 2009. In addition, we performed a review of the accuracy, reasonableness, and completeness of key performance measure information reported on the Virginia Performs website, which Planning and Budget maintains. We plan to issue a separate report on the results of this review in February 2010.

Department of Taxation
www.tax.virginia.gov

Analysis of Budgeted and Actual Expenses by Program and Funding Source

The following schedule provides information on Taxation's operating budget and expenses for fiscal year 2009 at the program level.

Program:	Program Expenses			Funding Sources	
	Original Budget	Final Budget	Actual Expenses	General Fund	Special Revenue Funds
Planning, budgeting, and evaluation services (715)	\$ 3,068,003	\$ 3,068,003	\$ 3,068,003	\$ 3,068,003	\$ -
Revenue administration services (732)	60,647,483	69,222,483	65,962,964	51,568,909	14,394,055
Tax value assistance to localities (734)	1,279,415	1,858,515	1,693,474	905,885	787,589
Administrative and support services (799)	<u>32,282,489</u>	<u>32,608,926</u>	<u>30,896,040</u>	<u>30,843,490</u>	<u>52,550</u>
Total uses	<u>\$97,277,390</u>	<u>\$106,757,927</u>	<u>\$101,620,481</u>	<u>\$86,386,287</u>	<u>\$15,234,194</u>

Source: Commonwealth Accounting and Reporting System

During the fiscal year, Taxation's original budget increased by approximately \$9.5 million. The increase funds payments made to a collection agency for their share of payments received on the collection of delinquent accounts.

Department of the Treasury
www.trs.virginia.gov

Analysis of Budgeted and Actual Expenses by Program and Funding Source

The following schedules provide information on the Treasury's operating budget and expenses for fiscal year 2009 at the program level.

Analysis of Budgeted and Actual Expenses by Program

<u>Program:</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>
Investment, trust and insurance services (725)	\$ 6,345,416	\$ 6,622,806	\$ 5,960,430
Revenue administration services (732)	<u>10,637,372</u>	<u>10,381,662</u>	<u>9,221,167</u>
Total Uses	<u>\$16,982,788</u>	<u>\$17,004,468</u>	<u>\$15,181,597</u>

Source: Commonwealth Accounting and Reporting System

Analysis of Expenses by Program and Funding Source

<u>Program:</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>Highway Maintenance and Construction Funds</u>	<u>Trust and Agency Funds</u>	<u>Dedicated Special Revenue Funds</u>
Investment, trust and insurance services (725)	\$3,640,846	\$ -	\$182,393	\$2,137,191	\$ -
Revenue administration services (732)	<u>3,669,303</u>	<u>257,923</u>	<u>-</u>	<u>4,836,439</u>	<u>457,502</u>
Total Uses	<u>\$7,310,149</u>	<u>\$257,923</u>	<u>\$182,393</u>	<u>\$6,973,630</u>	<u>\$457,502</u>

Source: Commonwealth Accounting and Reporting System

Separate Report

We performed an audit of the financial activity of the Local Government Investment Pool, the Virginia College Building Authority, the Virginia Public School Authority, and the Virginia Public Building Authority for the year ended June 30, 2009, and reported our audit results in a separate audit report issued in December 2009.

Treasury Board
www.trs.virginia.gov/Debt/Tboard.asp

The following table summarizes the Treasury Board's bond and loan retirement and redemption payments for fiscal year 2009.

Analysis of Bond and Loan Retirement and Redemption
Payments by Subprogram and Funding Source

	<u>General Fund</u>	<u>Special Funds</u>	<u>Higher Education</u>	<u>Total</u>
Debt service payments on General Obligation Bonds	\$114,691,058	\$ -	\$ -	\$114,691,058
Capital lease payments	14,019,566	-	-	14,019,566
Debt service payments on Public Building Authority Bonds	200,280,792	2,423,878	-	202,704,670
Debt service payments on College Building Authority Bonds	<u>105,228,611</u>	<u>-</u>	<u>8,842,602</u>	<u>114,071,213</u>
Total	<u>\$434,220,027</u>	<u>\$2,423,878</u>	<u>\$8,842,602</u>	<u>\$445,486,507</u>

Source: Commonwealth Accounting and Reporting System



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

January 12, 2010

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable M. Kirkland Cox
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the agencies under the **Secretary of Finance** for the year ended June 30, 2009. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit objectives for the audit of the Departments of Accounts, Planning and Budget, Taxation, and the Treasury for the fiscal year ended June 30, 2009, include the following:

- to determine whether management has established and maintained internal controls over the Commonwealth's financial reporting and other central processes and the centralized services provided to agencies and institutions in support of the preparation of the financial statements as indicated in the scope section of this report;
- to determine whether management has established and maintained adequate operating and application system controls over CARS, CIPPS, FAACS, LAS, the Integrated Revenue Management System, the Form 27 Automated Transaction System, and other central systems;
- to evaluate the accuracy of financial and budgetary transactions of the administrative activities as reported in the CARS for the agencies included in the Secretary of Finance;
- to evaluate the accuracy of financial transactions related to the processing of payroll and leave activity by Accounts' Payroll Service Bureau;

- to evaluate the accuracy of financial transactions related to tax collections including accounts receivable, deferred revenues and taxes, accounts payable and other liabilities, and tax and interest revenue as reported in CARS and the Integrated Revenue Management System and in supplemental information prepared by Taxation;
- to evaluate the accuracy of financial transactions related to cash and cash equivalents, investments, debt, risk management, and unclaimed property activity which is controlled by Treasury as reported in CARS and Treasury's accounting records, and in supplemental information prepared by Treasury (including the activity of the Treasury Board, the Local Government Investment Pool, the Virginia College Building Authority, the Virginia Public School Authority, and the Virginia Public Building Authority);
- to evaluate whether appropriation controls in CARS are adequate to ensure program expenses do not exceed appropriations;
- to evaluate the proper approval and documentation of budget adjustments;
- to evaluate the accuracy, reasonableness, and completeness of key performance measure information reported on the Virginia Performs website;
- to determine whether the agencies have complied with applicable laws and regulations; and
- to review corrective actions related to audit findings from the prior year report.

Audit Scope and Methodology

Management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

We reviewed and gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following processes and systems.

Department of Accounts

Financial Reporting*

Commonwealth Accounting and Reporting System (CARS)

Commonwealth Integrated Payroll/Personnel System (CIPPS)

Fixed Asset Accounting and Control System (FAACS)

Lease Accounting System (LAS)
Payroll and Leave Processing by the Payroll Service Bureau

Department of Planning and Budget

Form 27 Automated Transaction System
Budget Execution
Performance Measures

Department of Taxation

Financial Reporting	Lifeworks System
Tax Return Processing	Remittance and Data Capture System
Tax Revenue Collection	Total Automated Capture System
Virginia Tax On-line	Joint Electronic Filing System
Integrated Revenue Management System	Key From Image System

Department of the Treasury (including Treasury Board operations)

Financial Reporting*	Bank Reconciliation System
Bond Issuance	Trust Accounting
Debt Service Expenses	Check Processing System
Investment Trading	Risk Management Claim System
Investment Accounting	Unclaimed Property Management System
Investment Accounting System	

*including preparation of the Comprehensive Annual Financial Report and Schedule of Expenditures of Federal Awards by Accounts and the preparation of financial statements of the Local Government Investment Pool, the Virginia College Building Authority, the Virginia Public Building Authority, and the Virginia Public School Authority by Treasury

We performed audit tests to determine whether controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws and regulations. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of the agencies' operations. We tested transactions and performed analytical procedures, including budgetary and trend analysis.

Audit Conclusions

We noted a matter involving internal control related to the Commonwealth's financial reporting of Taxation's financial activity in support of the preparation of financial statements as indicated in the scope section of this report that we consider necessary to be reported to management, which is described in the finding entitled "Improve Financial Reporting Process" in the section entitled "Internal Control and Compliance Findings and Recommendations".

We noted certain matters involving operating and application system controls over systems at Accounts and Taxation that we consider necessary to be reported to management. These matters are described in the section entitled “Internal Control and Compliance Findings and Recommendations”.

We found that agencies included in the Secretary of Finance properly stated, in all material respects, the financial and budgetary transactions related to their administrative activities recorded and reported in CARS. The financial information presented in this report related to the administrative activities of the agencies came directly from CARS and is recorded on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

We found that Accounts’ Payroll Service Bureau properly stated, in all material respects, the financial records reviewed in support of payroll and leave activity.

We found that Taxation properly stated, in all material respects, the financial records reviewed in support of the tax collections activity detailed in the audit objectives as reported in CARS, the Integrated Revenue Management System, and in supplemental information except as noted in the finding entitled “Improve Financial Reporting Process” in the “Internal Control and Compliance Findings and Recommendations” report section.

We found that Treasury properly stated, in all material respects, the financial records reviewed in support of the cash and investments, debt, risk management and unclaimed property activity reported in CARS and in Treasury’s accounting records, and supplemental information.

We found that appropriation controls in CARS were adequate to ensure program expenses do not exceed appropriations.

We found that budget adjustments were properly approved and documented.

We found that key performance measure information was reasonable and properly stated, in all material respects, on the Virginia Performs website.

We noted certain matters involving compliance with applicable laws and regulations at Accounts and Taxation that are required to be reported under Government Auditing Standards. These matters are described in the findings entitled “Improve Information Systems Security Program”, “Improve Web Application Management and Security”, “Improve Process for Application Updates”, and “Improve Data Sharing Security Requirements” in the “Internal Control and Compliance Findings and Recommendations” report section.

The agencies of the Secretary of Finance have taken adequate corrective action with respect to audit findings reported in the prior year that are not repeated in this report.

Exit Conference and Report Distribution

We discussed this letter with management of the respective agencies of the Secretary of Finance and have included their response at the end of this report.

This report is for the information and use of the Governor and General Assembly, management, and citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

SAH/clj



COMMONWEALTH of VIRGINIA

DAVID A. VON MOLL, CPA
COMPTROLLER

Office of the Comptroller

P. O. BOX 1971
RICHMOND, VIRGINIA 23218-1971

January 22, 2010

Mr. Walter J. Kucharski
Auditor of Public Accounts
James Monroe Building
101 N. 14th Street
Richmond, Virginia 23219

Dear Mr. Kucharski:

The Department of Accounts (Accounts) appreciates the opportunity to respond to the risk alerts and recommendations contained in your 2009 Secretary of Finance Audit Report. Your comments and recommendations are given the highest level of importance and consideration by Accounts as we continue to review and improve our current practices. Accounts appreciates your acknowledgement of the progress made on prior recommendations and the recognition that some issues take time to resolve.

Risk Alerts

Modernize Financial Systems and Processes (Status of Prior Year Risk Alert)

Financial Systems

Accounts understands the risks associated with older computer systems and ramifications of potential system failures. As noted in previous years, Accounts has been directly involved in the Virginia Enterprise Application Project over the past several years. The State Comptroller is one of the project sponsors and the Assistant State Comptroller of Accounting and Reporting is a voting member of the Enterprise Steering Committee. Additionally, Accounts has assigned two permanent project members to the Cardinal project. Accounts also recognizes the benefits of adopting standardized data requirements and several senior management representatives are participating on the project team to develop these standardized data requirements.

Financial Processes

Accounts again appreciates the acknowledgement of the progress we have made since you first reported on the statewide reporting processes in March 2005. We will continue to use a risk-based approach in our evaluation of agency financial submissions. The Financial Reporting Division will continue to evaluate both efficiency and effectiveness of agency processes when performing agency reviews. Accounts will strive to continue partnership arrangements with line agencies to facilitate the agencies' understanding and process improvements. Accounts will continue to evaluate the best means of communicating with agencies and will strive to provide policies and procedures governing the Cardinal project prior to implementation.

Security Risks Associated with Information Technology Infrastructure

Accounts agrees that additional work remains to be accomplished in our efforts to improve the security and safeguarding of our information technology systems and sensitive information. Accounts is currently working with the Virginia Information Technologies Agency (VITA) to install new infrastructure hardware and software in the transformed environment. The new environment is the COV domain and will comply with all Commonwealth standards. We anticipate all applications will be migrated to the new environment by the end of February, 2010. Concurrently, Accounts plans to work with VITA to complete a responsibility matrix that identifies and clarifies our respective information technology security roles.

Improve Service Agency Arrangements

Accounts is developing a comprehensive memorandum of agreement for each participating Payroll Service Bureau (Bureau) agency to document internal controls and to clearly define the roles and responsibilities between the Bureau and the participating agency. Appropriate details will be encompassed within a Uniform Business Process Overview Document, which will contain a clear definition of the Bureau and agency roles for each business process, including the associated internal controls and the ideal flow of information. An Agency Operating Profile document will also be developed to document any agency specific information pertaining to the scope of services and their impact on standard controls and information flows.

Internal Control and Compliance Findings and Recommendations

Improve Financial Reporting Processes

Accounts will work with the Department of Taxation to develop a thorough understanding of their reporting process and will help develop a solution to prevent future reporting errors, in part through a Quality Assurance Review.

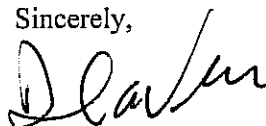
Improve Information Systems Security Program

As previously noted, Accounts agrees that additional work remains to be accomplished in our efforts to improve the security and safeguarding of our information technology systems and sensitive information. Additional improvements are underway and planned for completion by the end of May, 2010.

Improve Web Application Management and Security

The remedial work referenced under the *Risk Alert – Security Risks Associated with Information Technology Infrastructure* – will also improve web security and related capacity to conduct vulnerability testing. Accounts also plans to provide the referenced systems training to increase systems security.

Sincerely,



David A. Von Moll

Copy: The Honorable Richard D. Brown, Secretary of Finance
Lewis R. McCabe, Jr., Assistant State Comptroller – Accounting & Reporting



COMMONWEALTH of VIRGINIA

Department of Taxation

January 12, 2010

Mr. Walter J. Kucharski
Auditor of Public Accounts
James Monroe Building
101 N. 14th Street
Richmond, Virginia 23219

Dear Mr. Kucharski,

The Department of Taxation(TAX) appreciates the opportunity to respond to the comments and recommendations contained in your 2009 audit of Agencies of the Secretary of Finance.

A recap of TAX's plan in response to the audit follows:

Improve Database Administrator Access Oversight

By June 30, 2010, TAX will make the necessary changes to improve management oversight of the activities of the Database Administrators.

Improve Efficiency of Access Management and Change Management Procedures

We agree that the efficiency of access management and change management procedures can and will be improved.

In regards to access management, TAX is comfortable that its processes produce acceptable results and believes that the methodology used to assess this needs to be revised. By June 30, 2010, TAX will more completely document the system of access management controls on which we rely. TAX has also initiated a project to enhance the efficiency of the process used to request access additions, changes and deletions. This project is estimated to be completed by November 30, 2010.

In regards to change management procedures, TAX will develop and implement a revised process to address the noted issues by April 30, 2010.



Virginia Internet Filing and Payment for Businesses and Individuals
www.tax.virginia.gov

Mr. Walter J. Kucharski
January 12, 2009
Page Two

Improve Information Security Officer's(ISO) Authority and Independence

We agree that TAX should formally document a process to ensure the Information Security Officer's authority and independence. By January 31, 2010, the TAX Commissioner will send written guidance to the ISO instructing him to address any issues impacting the ISO's authority and/or independence directly with the TAX Commissioner.

Improve Process for Application Updates

We agree that TAX should improve its process for application updates within the control and responsibility of TAX. We will develop and implement a revised process to address the issues by June 30, 2010.

Improve Data Sharing Security Requirements

Policies and procedures will be developed by April 1, 2010, that define the required security controls over data transmitted or stored by non-Commonwealth entities. These procedures will establish a process that tracks the identity of third parties where TAX shares data, defines security requirements for them to follow and measures compliance with these requirements.

Improve Financial Reporting Processes

TAX personnel will continue to work with personnel from the Department of Accounts to improve financial reporting processes.

Again, thank you for the opportunity to respond to your report.

Sincerely,



Janie E. Bowen
Commissioner

c: The Honorable Richard D. Brown
Secretary of Finance

SECRETARY OF FINANCE AGENCY OFFICIALS

As of June 30, 2009

Richard D. Brown
Secretary of Finance

David A. Von Moll
Comptroller

Daniel S. Timberlake
Director of the Department of Planning and Budget

Janie E. Bowen
Tax Commissioner

Manju S. Ganeriwala
Treasurer